

on all matters materially affecting such claimant's claim, no State workmen's compensation law shall be included on the Secretary's list unless it provides, or regulations promulgated pursuant to such law provide (a) that a claimant in a contested case shall have a right to a full adversary hearing to resolve contested issues of fact or law, (b) that a claimant shall be notified of and shall have a means of legal recourse by right in the event that any adverse action is taken in respect of his claim, and (c) that a claimant shall in appropriate cases be entitled to have his claim finally adjudicated by an appellate court of the State.

§ 722.123 Cessation of payment of benefits.

No State workmen's compensation law shall be included on the Secretary's list unless such law provides, or regulations promulgated pursuant to such law provide, that in the event the payment of benefits to any beneficiary is terminated or suspended for any reason, such beneficiary shall be given prior notice thereof and shall have an opportunity to be heard in a formal proceeding before an appropriate adjudication officer of the State in respect of such suspension or termination, and that such investigations, including medical examination, shall be undertaken as will properly protect the rights of all parties.

§ 722.124 Regulation of fees for legal services.

Unrestricted fees for legal services incurred by a claimant in the pursuit of a claim undermine the intent of Congress expressed in the enactment of title IV of the Act. Section 28 (33 U.S.C. 928) of the Longshoremen's Act, as incorporated by section 422(a) of the Act, requires the Secretary to exercise reasonable control over professional fees for services incurred by a claimant in the pursuit of a claim. Accordingly, no State workmen's compensation law shall be included on the Secretary's list if such law permits unrestricted or unreasonable fees for services rendered in the pursuit of a claim to be charged to a claimant.

CRITERIA: GUARANTEE OF BENEFITS TO ELIGIBLE INDIVIDUALS

§ 722.126 Guarantee of benefits—generally.

It is the intent of the Act to insure that every eligible individual who has proven his entitlement to benefits for total disability or death due to pneumoconiosis shall be guaranteed such benefits whether or not there is in existence an employer, coal mine operator, or insurance carrier who is or may be adjudicated liable for the payment of such benefits. No State workmen's compensation law shall be included on the Secretary's list unless such law explicitly provides that every claimant who is, based upon the medical evidence and the evidence of such claimant's identity as a miner or eligible relation or dependent, entitled to receive benefits for total disability or death due to pneumoconiosis shall be paid such benefits either by a responsible coal mine operator or employer or such operator or employer's insurance carrier, or by the State from its general revenue or whatever funds are available for such purposes. A State must bear the ultimate liability for the payment of benefits to an entitled individual in all cases where no other source of benefits is available to such claimant.

§ 722.127 Voluntary and elective compensation systems.

A State workmen's compensation law may be included on the Secretary's list, notwithstanding the fact that such law permits voluntary or elective participation by an employer or coal mine operator in any program to insure the payment of benefits for total disability or death due to pneumoconiosis: *Provided*, That there is in effect in such State an alternative system to guarantee that all benefits including medical benefits shall be paid.

§ 722.128 Responsible coal mine operators.

Sections 421 and 422 of part C of title IV as well as the legislative history of the Act, indicate that Congress intended the coal mine operators in the several States to bear as fully as possible the liability for the payment of

pneumoconiosis benefits. In accordance with this intent Congress in section 421(b)(2)(E) of the Act has required that no State workmen's compensation law shall be included on the Secretary's list, unless such law provides that a coal mine operator who acquired his or its mine or substantially all of the assets thereof from a person (hereinafter referred to in this section as a "prior operator") who was an operator of such mine on or after December 30, 1969, shall be liable for and shall secure the payment of all benefits which would have been payable by the prior operator with respect to miners previously employed in such mine if the acquisition had not occurred and the prior operator had continued to operate such mine, and further that such prior operator shall not be relieved of his or its liability for the payment of pneumoconiosis benefits in the event that his successor to such mine is for any reason unable to discharge his liability (see section 422(i) of the Act).

§ 722.129 Insurance, self insurance.

(a) A State workmen's compensation law may, in appropriate circumstances, be excluded from the Secretary's list if such law permits coal mine operators or employers to obtain commercial contracts of insurance to guarantee the payment of pneumoconiosis benefits and such State law does not require (1) that such commercial insurer be authorized under the laws of the State to insure workmen's compensation, and (2) that each such commercial contract of insurance contain a provision that insolvency or bankruptcy of the insured or discharge therein (or both) shall not relieve the insurance carrier from liability for all current and future payments of benefits due an entitled individual.

(b) A State workmen's compensation law may, in the discretion of the Secretary, be excluded from the Secretary's list if it is apparent that self-insurance arrangements permitted under such State law in general are not sufficient to insure the uninterrupted payment of benefits to an entitled individual.

(c) Contribution or apportionment of liability among insurers and/or self-insurers, if so provided for by a State

workmen's compensation law, shall not be a basis for exclusion of such law from the Secretary's list.

(d) This section shall not be construed to require that a State workmen's compensation law guarantee the payment of pneumoconiosis benefits by means of commercial insurance or self-insurance programs.

§ 722.130 State protections of benefits.

No State workmen's compensation law shall be included on the Secretary's list, unless such State law establishes and provides a means of obtaining revenues to insure that pneumoconiosis benefits shall be paid to entitled individuals for whom no other source of benefits is available.

§ 722.131 Contributions by miners.

No State workmen's compensation law shall be included on the Secretary's list if such law permits or requires miners to provide funds for the payment of insurance premiums, the support for a self-insurance fund, or the support for any State fund established for the purpose of insuring the payment of pneumoconiosis benefits.

§ 722.132 Waiver of right to benefits.

No State workmen's compensation shall be included on the Secretary's list if such law permits a miner or other prospective claimant to by any means waive, in whole or in part, such individual's rights to receive full benefits for total disability or death due to pneumoconiosis. However, under appropriate circumstances, a waiver may be permitted in respect of the liability of any individual coal mine operator or employer if such State workmen's compensation law contains a provision or provisions which otherwise insure that benefits shall be available to be paid to such claimant from some other approved source.

§ 722.133 Retroactive coverage required.

No State workmen's compensation law shall be included on the Secretary's list if such law prohibits the filing of or does not provide for benefits in respect of an otherwise timely (see § 722.116) and valid claim solely on the grounds that the miner on whose total